

STATEMENT OF STEPHEN M. HUDSPETH, resident of Wilton, on
Governor's Bill 7150 to implement the Governor's recommendations on education

I testify in opposition to Governor's Bill 7150 in the way in which it pushes teacher pension funding obligations onto municipalities.

The teacher pension funding obligations of our state which this Bill seeks to address are very important for our state to resolve. I understand that these issues arise from our state's creation of unfunded pension obligations for its teachers going back to the 1930s and continuing forward to the present day. The obligations associated with former years' pensions I understand are called "legacy" obligations while those for the present year and going forward are termed "current" obligations.

These obligations were created as a result of our state's division of state responsibility for providing public education between the state itself and its municipalities. The municipalities have borne the lion's share of those public education expenses throughout the applicable time period here of over 80 years. To change this social compact between our state and its municipalities -- and to try to do so with no advanced notice and in this budget year -- is a bridge too far.

The Bill wisely recognizes that some municipalities are not in a financial position to bear much, if any, additional financial burden and so apportions only a small portion of the cost to them. By contrast, the Bill lays the heaviest loads on those municipalities which the state seems to believe can bear the burden. What the Bill neglects to consider, however, are that those municipalities have populations that can most readily pick up and move if financial burdens become too onerous in proportion to those of comparable municipalities in other states. That should be the biggest concern addressed in proposed legislation such as this: what will the resulting burden on municipalities be to drive away their citizenry -- on which provision for all else (including properly funded teacher pension obligations) depends.

May I respectfully suggest that instead of looking to municipalities to bear the burden especially as to legacy obligations, it look instead to its own state assets that might either be marshalled or be liquidated (as the case may be) to help to fund underfunded teacher pension obligations. On the marshalling front, one example is the imposition of toll collection on our highways which seems an obvious choice in that our neighboring states do so and are reaping large revenues as a result, in many cases from nonresident and commercial users of our highways. On the liquidating front, the state owns tracts of land that could be developed commercially without degrading the environment or despoiling scenic areas. Has consideration been given to marshalling such assets, much as one of our state's own citizens would do if he or she faced financial obligations that they would otherwise be unable to meet?

Our municipalities are struggling right now and find it especially hard to adjust to major added impositions by our state so close to towns' own Annual Town Meetings where annual budgets are approved. I understand that there is legislation now pending that would rationalize the way in which new state demands mesh with town budgeting cycles. So I suggest that consideration of G.B. 7150 be deferred until those bills rationalizing municipal and state budget timing have been addressed and that when G.B. 7150 is addressed thereafter, it be considered in those marshalling and liquidation terms and not in terms of laying more large burdens on municipalities that will be severely damaged in the process.

Respectfully submitted,



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